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Application No. 09/748,942  
Reply to Office Action of May 24, 2006

**REMARKS**

Presently, claims 1-11, 15-22, and 24-43 are pending in the application. A Request for Continued Examination ("RCE") under 37 C.F.R. §1.114 is being filed herewith. Independent claims 1 and 15 have been amended. Support for the amendments to independent claims 1 and 15 may be found, for example, in FIGs. 7 and 8 and at page 16, line 32 – page 17, line 14 of the specification. Claim 2 has been amended to correct formal matters noticed by Applicants. Support for new claims 24-38 may be found, for example, on page 17 of the specification and in FIGs. 7 and 8. Accordingly, no new matter has been added to the application by the foregoing amendments.

***Prior Art Rejections – § 103(a)***

The Examiner has rejected claims 1-11 and 15-23 under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 6,002,393 to Hite *et al.* ("Hite") in view of U.S. Patent No. 6,119,098 to Guyot *et al.* ("Guyot"). The Examiner contends that Hite teaches all elements of the claimed invention, with the exception of a trigger circuit for determining a low-level of the queue. The Examiner further contends that Guyot teaches such a trigger circuit for determining if a queue of advertisements has reached a low level, and concludes that it would have been obvious to combine the teachings of Guyot with those of Hite to result in Applicants' claimed invention. In view of the foregoing amendments, Applicants respectfully traverse this rejection.

Hite teaches a system for delivering targeted commercials to consumers' terminals. In Hite, customers, programs and commercials are categorized using known algorithms or data from an outside source. Each consumer's local terminal is individually addressable, and is designated as being within one or more categories. Separately, each commercial is designated as being within a particular category. When commercials are broadcast, a consumer's local terminal uses the information associated with the consumer and the commercial to determine whether to play or ignore a particular commercial. In Hite, the commercials may be combined with programming at a

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transmission facility, and then sent to the consumer. Alternatively, multiple commercials may be simultaneously broadcast over multiple channels, or transmitted and stored at the local terminals in advance. In Hite, an ad queue may be stored in memory, such that lists of ads may be stored for future insertion into programs. Hite also discloses the ability to synchronize targeted commercials with program switching. A viewer reaction feature causes additional relevant commercials to be presented in response to a viewers' response to questions and/or other viewer interactions. Hite teaches a sequencing feature which keeps track of what commercials were displayed by using upstream reporting, however does not teach arranging a sequence of commercials in a specific order and placing them in a queue. Hite also teaches an anti-zapping feature to delay presentation of the next desired channel until the currently displayed advertisement is completed.

Guyot teaches a system and method of displaying targeted advertisements over a distributed network, such as the Internet. In Guyot, a queue of targeted advertisements is downloaded from a server to a client application on a user's computer. The advertisements that are in the queue are based on the user's personal profile. Once the advertisements have been downloaded, the client application continuously displays the advertisements on the user's computer (even if other applications are running on the user's computer) in accordance with the distribution requirements (or restrictions) of the queue. Guyot further teaches that the user's computer may monitor user interactions with the system to determine whether the schedule of ads in the queue should be altered. For example, if a user has not interacted with the system for some given period of time, the client application will enter a "screen saver" mode and therefore display different ads than if not in a screen saver mode. When the advertisement queue reaches a low level of available ads (i.e., because some ads have expired or been displayed the requisite number or amount of times), the client application accesses the server to obtain another queue of advertisements for display.

Independent claim 1, as amended, recites:

In a television network system, subscriber equipment for displaying targeted advertisements to a subscriber, the subscriber equipment comprising:

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a communications interface for receiving at least one queue identifying a sequence of targeted advertisements, wherein the at least one queue is selectively distributed to the subscriber and the targeted advertisements have been previously matched to the subscriber, and wherein at least one of the targeted advertisements is repeatedly placed in the queue according to a controllable predetermined spacing, the controllable predetermined spacing being representative of the number of intervening advertisements between occurrences of the at least one targeted advertisement;

memory for storing the at least one queue;

a processor, responsive to the at least one queue, configured to repeatedly insert the targeted advertisements into program streams for display to the subscriber in accordance with the sequence, wherein the sequence is independent of the content of the corresponding program stream; and

a trigger circuit for determining if the at least one queue has reached a low-level, wherein said communications interface refreshes the at least one queue in response to a low-level determination by said trigger circuit.

Even if the combination of Hite and Guyot is proper, the combination of these references as contended by the Examiner, still fails to teach or suggest all of the features of independent claim 1. More specifically, neither of the applied references teaches or suggests a communications interface that receives "at least one queue ... wherein at least one of the targeted advertisements is repeatedly placed in the queue according to a controllable predetermined spacing, the controllable predetermined spacing being representative of the number of intervening advertisements between occurrences of the at least one targeted advertisement." Although Hite discusses the concept of sequencing commercials such that related commercials are presented to the viewer in an appropriate sequence relative to each other, such a concept does not suggest that these commercials are placed "according to a controllable predetermined spacing, the controllable predetermined spacing being representative of the number of intervening advertisements between occurrences of the at least one targeted advertisement..." Hite sequences commercials by keeping track of which commercials were displayed and using an

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upstream reporting capability (column 3, lines 9-11). Simply put, Hite may teach a queue of advertisements, but Hite does not disclose that an advertisement is placed in the queue such that there are a particular number of intervening advertisements between occurrences of that advertisement or even a meaningful organization of advertisements.

Guyot also does not teach or suggest a system having a communications interface that receives "at least one queue ... wherein at least one of the targeted advertisements is repeatedly placed in the queue according to a controllable predetermined spacing, the controllable predetermined spacing being representative of the number of intervening advertisements between occurrences of the at least one targeted advertisement." There is no discussion in Guyot of spacing of advertisements within a queue. Moreover, Applicants respectfully point out that the targeted advertisements in Guyot are not inserted into any type of program stream. Rather, in Guyot, the advertisements are continuously displayed to a user via a dedicated client application. Thus, in Guyot there is no program stream for targeted advertisements to be repeatedly inserted into according to the controllable predetermined spacing, as recited in independent claim 1. Since neither of the applied references teaches this feature, the combination of Hite and Guyot is also lacking at least this feature. That is, neither reference individually nor their combination teach or suggest repeatedly inserting an ad according to a predetermined spacing. Accordingly, independent claim 1 is believed to be allowable over the combination of Hite and Guyot.

Independent claims 15 recites "a sequence including at least two of the targeted advertisements is placed in the queue according to a controllable predetermined spacing, the controllable predetermined spacing specifying the number of intervening advertisements between one of the at least two advertisements and the successive advertisement of the at least two advertisements in the sequence..." For the same reasons discussed above with respect to independent claim 1, the combination of Hite and Guyot do not teach or suggest all features of independent claims 15. Accordingly, independent claim 15 is believed to be allowable over Hite and Guyot, taken either individually or in combination.

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New independent claims 30 recites "arranging at least one queue of targeted and ordered advertisements, each of the targeted advertisements being previously matched to the subscriber, and wherein the advertiser's advertisements are inserted in the queue according to the controllable predetermined spacing, the controllable predetermined spacing being representative of the number of intervening advertisements between successive occurrences of the advertiser's advertisements." New independent claim 35 recites "allowing an advertiser to indicate that a subset of the plurality of targeted advertisements is to be displayed to the subscriber according to a controllable predetermined spacing, the controllable predetermined spacing being representative of the number of intervening advertisements the advertisements of the subset and the subsequent advertisement of the subset." New independent claim 37 recites "arranging at least a subset of the plurality of targeted advertisements in at least one queue, wherein a first targeted advertisement is placed a first predetermined interval from a second targeted advertisement, the first predetermined interval being representative of the number of advertisements separating the first and second targeted advertisements." For similar reasons to those discussed above with respect to independent claim 1, the combination of Hite and Guyot does not teach or suggest all of the elements of independent claims 30, 35, and 37. Accordingly, independent claims 30, 35, and 37 are believed to be allowable over Hite in combination with Guyot.

Dependent claims 2-11, 16-22, 24-29, 31-34, 36 and 38-43 are allowable at least by their dependency on independent claims 1, 15, 30, 35, and 37, respectively. Claim 23 has been canceled. Reconsideration and withdrawal of the Examiner's section 103(a) rejection of claims 1-11 and 15-23 are respectfully requested.

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*Conclusion*

In view of the foregoing amendments and remarks, Applicants respectfully submit that the Examiner's rejection has been overcome, and that the application, including claims 1-11, 15-22, and 24-43, is in condition for allowance. Reconsideration and withdrawal of the Examiner's rejection and an early Notice of Allowance are respectfully requested.

Respectfully submitted,

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